

VZCZCXRO4473
PP RUEHROV
DE RUEHKH #1537/01 1801007
ZNY CCCCC ZZH
P 291007Z JUN 06
FM AMEMBASSY KHARTOUM
TO RUEHC/SECSTATE WASHDC PRIORITY 3479
INFO RUCNIAD/IGAD COLLECTIVE
RHEHNSC/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 KHARTOUM 001537

SIPDIS

SIPDIS

DEPARTMENT FOR D, AF A/S FRAZER, AND AF/SPG
NSC FOR COURVILLE

E.O. 12958: DECL: 06/26/2016
TAGS: [PGOV](#) [PREL](#) [PHUM](#) [SU](#)
SUBJECT: SOUTH SUDAN: ASSESSMENT COMMISSION FINDS
FRUSTRATION BUT HOPE IN JUBA

Classified By: CHARGE D'AFFAIRES CAMERON HUME; REASON: 1.4 (B) AND (D)

11. (C) Summary: The Comprehensive Peace Agreement (CPA) Assessment and Evaluation Commission (AEC) found much frustration but some hope during a three day visit to Juba, June 22-24. Eleven Commission members, including CDA Hume, met with Government of Southern Sudan (GoSS) President Salva Kiir, Vice President Riek Machar, Legislative Assembly Speaker James Wani, and other government officials. The status of Abyei, oil revenues, military redeployments, and good governance topped the agenda. Nearly one year after the formation of the Government of National Unity (GNU), CPA implementation seems to be hampered by many obstacles--but still moving forward. End Summary.

12. (C) Abyei remains "the fundamental issue" in the North-South peace process, Kiir told the AEC. There had been no action since the Abyei Boundary Commission released its report last summer, only to have it rejected by President Omar al-Beshir. There were now four possible options: send the report back to the Presidency for action; call back the Commission's experts to defend their report; submit the report to the Constitutional Court; or enter into arbitration. Kiir had originally favored calling back the experts, but this seemed impossible once the GoSS accepted the report. "It wasn't my decision," Kiir observed quietly. The most viable option now was to go back to the Presidency, he said, though he still appeared open to calling back the experts. "Naivasha depends on the good faith of the implementers, and depending on that degree of faith might have been a mistake," he suggested. "But I was not at Naivasha." (A National Congress Party representative at a June 26 AEC working group meeting asked for a full hearing of the Abyei issues at the next AEC plenary meeting on July 11).

13. (C) South Sudan's reliance on oil revenues makes Abyei even more critical. As GoSS Minister of Finance Arthur Akuen explained, delays in fulfilling Multi-Donor Trust Fund pledges mean the Government of Southern Sudan now relies entirely on oil revenues for its operations -- about USD 101 million per month. A slight drop in the price of oil can therefore create serious shortfalls on the government budget. (The GoSS is working on developing a local taxation system and a foreign investment policy, but these are "difficult tasks" right now, the Minister said.) Moreover, the CPA Oil Commission has yet to begin its work. "We're not sure if the oil is in the North or South," Kiir said, "but we feel like we're not getting the right share."

14. (C) One part of the CPA that seems to be moving forward is the redeployment of Sudan Armed Forces (SAF) and Sudan People's Liberation Army (SPLA) units. Redeployments are complete in Southern Kordofan, and partially complete in Blue

Nile, Upper Nile, Bahr al-Gazal, and Central Equatoria, according to SPLA Chief of Staff Wayway Deng. UN Mission in Sudan (UNMIS) South Sudan Chief James Ellery confirmed that most troops have redeployed as scheduled, except some near the North-South border. UNMIS is now fully operational, and can effectively monitor troop movements, he assured the AEC. The formation of SAF/SPLA Joint Integrated Units (JIU) is moving forward as well; CDA Hume attended the handover to the Equatoria Military Area, based in Juba, to a JIU on June 24. But there have been problems, according to SPLA Chief Deng. Some SAF troops have refused to leave, while others have left but intentionally destroyed their former camps in the process. Other SAF units have moved just over the North-South border, especially around oil rich areas near Abyei and in Blue Nile State. "They have even repainted some of their helicopters white, so we'll think they're the UN," Deng said.

15. (C) Even without footdragging from the North, the South has plenty of homegrown difficulties when it comes to governance. South Sudan Legislative Assembly Speaker James Wani admitted that that the GoSS needed to "combat corruption," but put forward no proposals on what to do about it. The appointed Assembly, meanwhile, plays little role in oversight of public accounts -- especially after the Speaker adjourned it several weeks early for its summer recess. (The Assembly is scheduled to reconvene in September, to consider several key pieces of legislation). If anything, the Assembly's own preference seems to be a larger public trough, not a smaller one. GoSS Minister of Labor and Public Service David Deng recounted that he had originally proposed a "lean government" of approximately 70,000 civil servants, only to be criticized by the Assembly. "They said a 'lean government' was a Western concept that had nothing do with us, and then passed a bill expanding the civil service to

KHARTOUM 00001537 002 OF 002

116,000," he said. Others seem to agree. The South Sudan Demobilization, Disarmament, and Re-integration (DDR) Commission reportedly plans to convert 100 senior SPLA officers into senior civil servants, as an alternative to unpaid retirement. No word yet on which ministries will benefit from the windfall.
HUME